

**SECRET**

4 November 1974

MEMORANDUM FOR THE RECORD

SUBJECT: Disposition by Renegotiation Board of Classified Documents

1. William S. Whitehead, Chairman of the Renegotiation Board, telephoned me on 1 November 1974. He wished to know if I wanted returned to the Agency my letter to him of 12 September 1973 and his response addressed to Mr. Colby of 9 October 1973. Both documents are classified Secret and deal with the question of whether Air America should have an exemption from renegotiation requirements. I explained to Mr. Whitehead that I had inquired about their return based on my assumption that the Board did not have appropriate facilities for storing classified material. Mr. Whitehead advised that this was incorrect, and indeed they did have appropriate facilities. I said under those circumstances I would have no concern about the Board retaining copies of these two classified documents. Mr. Whitehead had his Assistant General Counsel, William Burkholder, on the telephone during the entire conversation.

2. I raised the point that the Board, under E.O. 11652, had no authority to classify documents so that technically their letter of 9 October 1973 was subject to disclosure if requests were made under the Freedom of Information Act. Therefore, it was requested that a note be put on this document that, if anyone sought it under the Freedom of Information Act, the Board would be in immediate touch with the Agency since we could at that time classify it as it deals with Agency information. Both Whitehead and Burkholder agreed to this and seemed to understand the situation.

JOHN S. WARNER  
General Counsel

cc: D/Security

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**SECRET**

Renegotiation Board  
E-2 IMPDET

12 September 1974

SUBJECT: Renegotiation Board

Subsequent to my 21 August 1974 meeting with Assistant Secretary McClary, Mr. Briskin reported on the outcome of the meeting between Deputy Secretary Clements and Renegotiation Board Chairman Whitehead which was attended by Mr. McClary but not by Mr. Briskin. He told me that Whitehead agreed to grant the requested exemption to Air America provided that Mr. Clements got the approval of the Defense Appropriations Subcommittees and provided that Mr. Colby personally assured Mr. Clements that he wanted the exemption. On 23 August 1974, Mr. Colby told me that he had seen Mr. Clements that day and had given him his personal assurance. It was also reported to me (I believe by Mr. Briskin on 26 August) that Assistant Secretary McClary had briefed the staffs of one or both committees and received their approvals. (I am not certain at this time that on that date Mr. McClary had talked to both committees and I have no recollection of any later confirmation that he had done so.) On 30 August 1974, the Renegotiation Board issued the requested exemption letter to Air America. On the basis of the issuance of this letter, I assumed that both committees had been briefed by Mr. McClary.

JDM

OGC SUBJ:  - RENEGOTIATION BOARD (not indexed)

Recd. 9/3/74  
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REGISTERED-RETURN  
RECEIPT REQUESTED



WASHINGTON, D.C. 20446

AUG 30 1974

Air America, Incorporated  
1725 K Street, N. W.  
Washington, D. C. 20006

Subject: Air America, Incorporated (Consolidated)  
Fiscal Years Ended March 31, 1967 - 1974

Gentlemen:

This letter, sent by registered mail to you as Agent for the above-named Consolidated Group, serves as notice that The Renegotiation Board has exempted, pursuant to Section 106(d)(1) of the Renegotiation Act of 1951, as amended, and RBR 1455.2(d), all contracts between Air America, Incorporated (Consolidated) and the Department of Defense and its military departments for the Group's fiscal years ended March 31, 1967, 1968, 1969, 1970, 1971, 1972, 1973 and 1974.

The Board has directed me to further advise you that if you wish such an exemption for the fiscal year ended 1975, or later fiscal years, a request for such exemption should again be made by the Department of Defense.

Very truly yours,

The Renegotiation Board

By Richard E. Rapps  
Richard E. Rapps  
Secretary to the Board

— Copy being furnished  
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